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*Attorney(s) for Plaintiff Scanning Technologies Innovations, LLC*

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON**

SCANNING TECHNOLOGIES  
INNOVATIONS LLC,

Plaintiff,

v.

SMARTOSC US LLC,

Defendant.

Civil Action No. 2:19-cv-01002-RAJ

AFFIDAVIT OF LEIGH  
ROTHSCHILD

**DEMAND FOR JURY TRIAL**

COUNTY OF \_\_\_\_\_ )

)

STATE OF \_\_\_\_\_ )

Leigh Rothschild, principle at Scanning Technologies LLC, being duly sworn,  
deposes and states as follows:

1. On June 27, 2019, Scanning Technologies Innovations LLC (“STI”) filed  
a complaint against Smart alleging infringement of U.S. Patent No. 9,466,078 (“the  
‘078 Patent”).

1           2.     Smartosc US LLC has not responded to the complaint.

2           3.     On September 10, 2019, a clerk's entry of default as to liability was  
3 entered in favor of STI.

4           4.     In evaluating damages for patent infringement several factors must be  
5 examined including, but not limited to:

6                   a.    the Defendant's usage of the technology that the subject patent covers,  
7                   and  
8

9                   b.    the Defendant's revenue derived from that usage.

10          5.     Without the benefit of discovery from the Defendant, but based on  
11 research and belief including the attached overview (Exhibit A) STI believes that  
12 Defendant has relied upon and utilized the technology embodied in the '078 Patent  
13 for a substantial portion of Defendant's business.

14          6.     Based on income figures obtained by Zoominfo as reported in March of  
15 2020 and Exhibit A, Defendant has a revenue of 17 million dollars per year.

16          7.     According to smallbusiness.chron.com as reported in March 2020,  
17 average royalty rates for patent licensing range from 3 to 6 percent of gross sales.  
18 These rates are consistent with the information that the Plaintiff has been aware of  
19 for many years.

20          8.     Based at least on the foregoing, STI believes a reasonable royalty in this  
21 case can be calculated as follows:  
22  
23  
24

produce 70% of its revenue. That revenue is 17 million dollars per year.

b. Defendant should be assessed a conservative 3% royalty on its usage.

c. Defendant usage of the named technology has existed for at least three years.

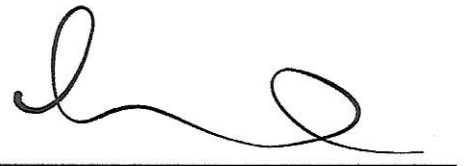
d. Based the above factors, STI calculates a reasonable royalty of \$1,071,000

e. STI believes an appropriate damages aware in this case is \$1,071,000 plus attorney's fees and costs.

9. STI has previously licensed the '078 Patent.

10. The payments for previous licenses of the '078 Patent range from \$15,000 to \$50,000.

11. STI believes that the appropriate measure of damages is a higher than a license fee, but in no event less than \$50,000.



Leigh Rothschild

Sworn to and subscribed before me, by means of      physical presence or   ✓   online notarization, this 22<sup>nd</sup> day of April, 2020, by Josey N. Gonzales

Josey Negrete Gonzales

NOTARY PUBLIC/STATE OF Texas

